



January 30, 2012

Ms. Elizabeth M. Murphy  
Secretary, Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File Number SR-FINRA-2011-073

Dear Ms. Murphy:

The National Association of State Budget Officers (NASBO) thanks you for the opportunity to comment on the proposed rule change relating to establishing a Governmental Accounting Standards Board (GASB) support fee. NASBO serves as the professional association for the budget officers of the fifty states and the territories. While we agree with most of the rule changes that the Financial Industry Regulatory Authority (FINRA) has proposed, we are concerned that the proposed rules do not specifically state that fees cannot be passed on to issuers of municipal debt. We believe that the proposed rules lack the clarity to ensure that fees are instead collected from members of a national securities association.

The *Dodd-Frank Wall Street Reform and Consumer Protection Act* (P.L. 111-209) (*Act*) states that a national securities association (designated by the SEC [see the Release No. 64462] as the Financial Industry Regulatory Authority -- FINRA) establish rules and procedures to provide for the equitable allocation, assessment and collection of an accounting support fee for the GASB from the members of the association. The law specifically states that the fee be paid “*from* the members of the association, and the remittance of such accounting support fees to the Financial Accounting Foundation<sup>1</sup>. NASBO does not believe that the proposed rule adheres to the statutory language in the Dodd-Frank Act because it does not specify that the

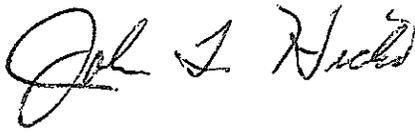
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<sup>1</sup> Public Law 111-203, Section 978 (a) (g) “FUNDING FOR THE GASB” (B) (see page 1925 of the *Act*)

fee be paid by the members of the association, and leaves open the possibility that the fee may be passed along to customers which includes state and local governments who issue municipal securities.

We encourage the Commission to include language stating clearly that the fee is to be paid by the members of the association, in this case the FINRA, so that the fee is not passed on to the issuers of municipal securities.

Thank you for your consideration,

A handwritten signature in black ink that reads "John T. Hicks". The signature is written in a cursive style with a large initial "J" and a distinct "H".

John T. Hicks  
President  
National Association of State Budget Officers (NASBO)